



**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**NEWS RELEASE**

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**Press Contact:** Jeb Spaulding (802) 828-1452; Gregg Mousley (802) 654-3716

## **National Survey Shows Vermont High School Students Struggle with Financial Literacy**

MONTPELIER, Vt.—Vermont high school seniors scored slightly above the national average in the Jump\$tart Coalition for Personal Financial Literacy 2008 survey. However, the overall score for Vermont students was 50.3 percent—a failing grade. Nationally, high school seniors answered only 48.3 percent of the questions correctly.

“The results we share today will provide us with an important baseline of information from which to judge future progress of Vermont students in grasping financial concepts,” said State Treasurer Jeb Spaulding at a State House press conference in Montpelier.

For the first time in the eleven-year history of the Jump\$tart national survey, Vermont received state-specific data on how its students performed on the test. Students from high schools geographically located across the state participated in the biennial survey. Nationwide, 6,856 high school seniors from 40 states participated in the survey. The 2008 average national score was lower than results for the 2006 survey in which students correctly answered 52.4 percent of the questions.

While the average score on the 2008 survey of Vermont students was a failing grade, 29 percent of the students did achieve a passing grade of greater than 60 percent. Three percent of that group scored 75 percent or higher.

“We appreciated the participation by the Vermont schools in the 2008 survey,” said Gregg Mousley, President of the Vermont Jump\$tart Coalition. “In past surveys, we were not able to garner enough school participation to allow researchers to compile meaningful results. We hope these survey results will enable us to more actively engage schools, teachers and parents in teaching financial concepts to our youth.”

The 31-question survey tests student knowledge in five subject areas: income, money management, savings, spending and debt. Vermont students scored highest in the income category of questions with an average score of 59.4 percent. The national average was 55.9 percent. Questions in this category include asking students to assess factors that will impact their future earning potential and questions related to taxes and household income.

Vermont students correctly answered 53.7 percent of questions pertaining to spending issues. Types of knowledge tested in this category include correctly identifying

financial instruments associated with spending purchases and outcomes associated with spending decisions. The national average for this category was 50.6 percent.

On questions regarding debt, Vermont students correctly answered 46.8 percent. The national average was 44 percent. In this category, students were asked to evaluate credit card agreements and finance charges. Students also were tested on their knowledge of what to do if they are behind on a debt payment.

Questions related to general money management were correctly responded to 43.6 percent of the time by Vermont students, compared with the national average of 40.7 percent. Questions in this category ranged from general budgeting topics to insurance.

Vermont students scored lower than the national average on questions related to savings. While the national average was 43.2 percent, Vermont students answered just 41.8 percent of the questions correctly. Savings questions included such topics as saving for emergencies, retirement income, and what types of investment opportunities tend to offer the highest growth over periods of time.

"The survey demonstrates that graduating high school seniors continue to struggle with financial literacy basics," said Lewis Mandell, Ph.D., professor of finance and managerial economics at SUNY Buffalo School of Management. Mandell conducts the survey for Jump\$start and the Merrill Lynch Foundation which funded the 2008 survey. "Perceptions of current economic conditions, particularly the housing market, may have contributed to the decreases in scores."

The national Jump\$start Coalition also released results of a first-ever college students' survey. Results indicated higher scores for college students than their high school peers, with 62 percent of the questions answered correctly. Scores among college students increased with their rank in school. The college survey was administered to 1,030 full-time students nationwide. It is unknown whether any Vermont students participated in the college test.

The Jump\$start Coalition is a non-profit organization dedicated to improving the financial literacy of kindergarten through college-age youth by providing advocacy, research, and educational resources. The State Treasurer's Office has partnered with Vermont Jump\$start as part of a recent financial literacy initiative. Both groups have financial literacy resources posted on their web sites. The Vermont Jump\$start web site is [www.vtjumpstart.org](http://www.vtjumpstart.org). The Treasurer's financial literacy web resources are located at [www.MoneyEd.Vermont.gov](http://www.MoneyEd.Vermont.gov).